

1731
REASONS

Offer'd against the

Continuance

OF THE

BANK.

14. England Bank of England
IN A

Letter to a Member

OF

PARLIAMENT.

L O N D O N, Printed in the Year 1707.
Price 2 Pence.

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Price 2s. 6d.

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TO A
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S I R,

WE have a Report in the Country, that there is great Striving for and against the Continuance of the Bank, call'd by some the Bank of England, by others the Royal Bank, whilst indeed 'tis only the Bank of a very Few against the Interest of the whole Nation, except either themselves, or those of a certain Party, (if there be any such as I do not pretend to determine) who may possibly hope by Secret Means to ingross it to themselves, and thereby be able at their Pleasure to

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subvert

Subvert the Ancient Legal Constitution of the Kingdom, by hindering the Circulation of *Money*, which is the very Life of *Trade* in all its Branches, and in a *Free Nation* runs undisturb'd into all *Parts*, to the Comfort of the *Farmer* and *Country Gentleman*, as well as the *City* and *Court*. For it is as possible for any one prevailing *Party*, where *Shares* are *Transferable* to those that bid the *Highest*, to *Engross* and discern'd the whole *Bank*, as it is for the *Bankers* to monopolize the whole *Money*, or the greatest Part of it : As none feel the *sad Consequences* thereof so much as those that Live at a Distance from it.

To unravel this growing Evil, we must begin with the *Act of Parliament* whereby it is Establish'd ; which gives the *Bankers* Power, or Opportunity of getting the Most of the *Money* of the Nation into their own Hands Yearly. For besides the Paying the *Sum* specify'd into the *Exchequer*, the said *Act* authorizeth and impowers them to advance by Way of *Loans* to the Extent of other *Funds* agreed on in *Parliament*, and to draw into their Power all the *Tallies* that are or shall be struck either upon *Parliamentary Grants*, or the *Standing Revenue*, during the said *Bank*. Yet for the Safety of the said *Sums of Money*, *Tallies*, &c. the Government is oblig'd to make Good, or see Paid no more than 100000 *l.* per *Ann.* inclusive of the *Interest* of 1200000 *l.* except what has been engrafted since, of which not much remains unpaid by the Government.

Besides, *Moneys* in the *Bank* are not easily recoverable, should any *Interruption* happen in Payments, as is not impossible by a hasty *Draw*, or *Demand*, from individual Fears without Knowledge of each other.

other. For the said *Act of Parliament* (which was pass'd in haste at the later End of a *Session*, when there were but few *Members*, and those so taken up with Thoughts about the approaching *Campaign*, that they had not Time sedately to examine into the *Conveniences* and *Inconveniences* of e'ry Clause) provides, ' That the Bank as a Corporation should not borrow, nor give Security by Bill, Bond, &c. under their Common Seal for above the Sum of 1200000 *l.* at a Time. And that if they did they should not be su'd as a Corporation, but that all and every Member or Members, &c. should in their private personal Capacities be liable in Proportion to their several *Quota's* to the Re-payment of the Monies so borrow'd. So that a Thousand several Persons may be to be su'd by separate Actions for one Single 100 *l.* Besides the said Bank not being *sueable* after borrowing 1200000 *l.* (excepting as before excepted) who can know when they have or have not borrow'd *so much*, and not ten Times more, without searching their *Books*, which very few mind, or care for the Trouble of it, and if they do, (considering the *Nicety* and *Tricks* of the *Law*) what single Person will contend with a Corporation? And if any should, they will find few *Bank-Bills* (comparatively) Sign'd with the *Common Seal*, and the Rest to have no more Security than the bare *Hands* of *Servants* and *Directors*, being not safe or unfailable. Which shews what may be justly expected and fear'd from such a Society of Men, who have receded in so great a Particular from the Observation of the *Statute* by which they were Erected into a Corporation under the specious Name of the *Bank of England*, &c. and it is not likely after so great a Neglect in one, they should have a stricter Regard to the other *Provisions* and *Limitations* of the said *Law*.

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Who therefore, considering the *Contingences* of the World, would contribute to the Advance of the 1200000 *l. &c.* into the *Bank*, since (let their Occasions be never so pressing) they are precluded the *Command* of their *Principal*, or indeed the *Recovery* thereof, and are bound to stick to the bare *Interest* of *Eight per Cent*, unless they can relieve themselves by transferring their *Shares*, the *Rate* and *Value* of which depends upon the *Credit* of the *Bank* above their *Fund*, and rises and falls according as *that* varies by a *Thousand* unforeseen *Accidents*.

Nor is there any greater Invitation to augment the *Bank*, by lodging in their Hands the *Portions* of *Orphans*, or *Younger Children*, seeing they are not *commandable* or *recoverable* as Occasion may, and must necessarily require. And one would think Men should not be so *profuse* towards the *Bank*, if they would but consider the sad *Presidents* of the *Breaking* of the *Chamber of London*, and the *Shutting up* of the *Exchequer*; both which had more certain *Ways of Supply*, and came nearer to a *National Security*, and yet fail'd to the *Ruine* of many *Thousands* of all *Ages* and *Ranks*. But yet a certain Gentleman in a Sheet of Paper, very handsomely recommends *one of these* as far preferable to the *Bank*, not considering that the Matter would not be much amended. Not but that a better and safer Provision is very obvious, if the *Power* and *Authority* of the Nation would please to admit of it. Of which more afterwards.

But

But that which renders the *Bank* more intollerable is, its being downright an avow'd *Monopoly*, which has always been odious in the Eye of the *Law*, and when any such has taken shelter under some *Act of Parliament*, or by a *Charter*, or the *Favour of the Prince* for some Time, the *Government* has generally taken Care to put a *Stop* to it, by falling upon it as a *Common Nuisance*, to prevent the *Communities* running into Violence, as many times happens in all *Countrys* upon such Occasions. For what *Community* will long suffer it self to be bought and sold, overrun, impoverish'd, and undone by a *Private Corporation*, under any Pretence whatsoever; especially if the said *Corporation* should be of that Latitude, and as capable and comprehensive of doing *Mischief* as the *Bank of England* is?

The Truth is, the *Malignity* of the *Bank* is of that *Extent*; that I know not well where to begin my Account of it. If it Affects not only *Lesser Dealers*, but also *Manufacturers* and *Merchants*, it affects *Trade* in general, and what is injurious to *Trade* must necessarily run counter, and be very pernicious to the Interest of the *English Nation*, which from its happy Situation, Number of Ports, diversity of *Manufactures*, Ingenuity and Industry of People, &c. has the Advantage in *Trade* above all other *Countries*; and without it would soon languish and grow poor and weak at Home, and despicable Abroad.

But to come nearer the *Matter of Fact*, if the *Bank of England* (or the *Company* so call'd) are Privileged, and have Power given them to *Engross* the most Part of the *Current Coin* of the Nation, which

by one Means or another circulates to *London* as the Centre of *Trade*, what can hinder them from reducing *Trade* into as Narrow a Compass, and as few Hands as themselves please. And having it so absolutely in their own *Power*, who can imagine they will lose the Opportunity of making themselves *Great* and *Wealthy*, which is apt to be the *Aim* and *Design* of most Men. What the *Act* provides against it, is, *That they shall not Deal or Trade, or permit or suffer any Person or Persons, either in Trust, or for the Benefit of the Company to Deal or Trade with any of the Stock's Money, in the Buying or Selling any Goods, Wares, or Merchandizes whatsoever.* But this does not hinder their *Lending* to whom they please, or their entrusting their *Friends* or *Relations* with great Sums to do what they please with, &c. and their *Friends* or *Relations* forestalling, or *Monopolizing*, is all one to the Government as if they did it themselves.

It is notoriously known, that the *Bank* did actually enable a certain *Dealer* in *London* to engross all the *Coffee* that was not in the Hands of *Retailers*, raising it to Ten times the Value. (See *Considerations* against the *Bank*, p. 6.) So all other *Goods* imported may be engrossed, and what Price they please set upon them, and all *Home-made Goods* likewise be *Monopolized* into the Hands of such Persons whom they shall please to credit with Sums of Money; supposing them not to reap any *Share* of the *Benefit* themselves, which cannot easily be imagin'd. For, in my Opinion, they may in a great Measure defend themselves by the said *Act*, which impowers them not only to sell all *Goods, Wares, Merchandizes* that shall be deposited with them, but also to deal in *Bills of Exchange*, and to buy and sell *Bullion, Gold, and Silver*. And does not that Authorize them

to break into *Trade in general*, and particularly in to the *Traffick of Merchants, Goldsmiths, &c.* by supplanting them in the *Ways of Dealing* they were bred in? For what will be left for other *Traders* to support themselves in their several *Ways of Dealing* when those have possess themselves of the *Bullion* of the Nation?

I will go yet farther with them. Suppose they defend themselves by saying *they deal in nothing but Money* (believe it who please) yet that alone is sufficient to destroy the *Trade and Commerce* of this Kingdom by their dreining so much of it out of the *common Channel of Trade*, and diverting it another Way. For who can deny what is so obvious to those that will give themselves the Liberty to think, that the more our *Money* is employ'd in *Trade*, the greater is the encrease of our *Riches* and *Strength at Home*, and the Nation render'd the more honourable and formidable *Abroad*; and I think it is sufficiently evident, that if the *Bank* continues to be supported by the *Government*, they will still draw more and more *Money* out of the *Channel of Trade*, to the utter *Decay and Ruine* of it. Whereas the more *Trade* and *Manufacture* be encourag'd and enlarg'd, the Higher is the *Price of Land*, and the Better are the *Rents* paid. Otherwise the *Farmer* must soon go a *Begging*, and the *Landlord* follow not long after, or else *Husband* his own *Land* himself.

I will endeavour to explain my self by the following *Instances*. Formerly *Traders* and *Farmers* also could upon their *Bond* borrow *Money* at 5 per Cent. and be very welcome to the *Lenders* who neither *Farm'd* nor *Traded*: But now the *Gain* of 8 per Cent. by the *Bank* has tempted many *Money'd Men*, (who used to

employ their spare Money in *Home Traffick*, and in carrying on *Manufactures*) to throw most of their *Cash* into the *Bank*, and the *Reason* is, because notwithstanding the *Bank* beyond the foresaid *Sum* allows not so much *Interest* as they could have had from *Traders*, *Dealers*, and *Farmers*, &c. yet they think their *Cash* safe no where else; By reason so many of the said *Traders*, *Dealers*, *Farmers*, &c. are gone off, or betaken themselves to other *Business* for want of the *Benefit* of the said *Current Coin* monopoliz'd by the said *Bank*; so farewell to all *Personal Credit*. This is the great *Lamentation* worthy the *Thoughts* of our *Honourable Representatives*.

My next *Observable* against the *Monopoly* of the *Bank*, is, that when Money runs in a free *Stream*, the *Current Coin* of the *Nation* was even than too little to begin, promote, and carry on the numerous and different *Methods* of *Trade*, *Traffick*, and *Manufactures* of this *Kingdom*; but what must they now dwindle and sink into, if the *Current Cash* be suffer'd any longer to be monopoliz'd by the said *Bank*. It has been long since observ'd, That *Trade* is like a *Coy Mistress*, and must be earnestly and warmly *Courted*, or else you lose it, and if ever it pass over into another *Nation*, it is seldom or never recover'd back again: and that which hinders the *Courting* and *Following* this *Coy Dame*, is, that the *Thoughts* of our *Merchants* and *Traders*, &c. instead of being employ'd about the *Improving* of *Trade* are diverted to the *Bank*, and the *Discourse* upon the *Exchange* is chiefly about *Transfers* of *Bank Stock*, and the *Price* of *Tallies*, &c. as if that was the *grand* and *only Commerce* of the *Nation*, and the *Promoting* any other not worth a *serious Thought*.

But the greater *Grievances* are still behind. It is granted on all Hands, that *Traders* and *Dealers* of all Sorts cannot proceed in dealing to any considerable Degree of Trade without borrowing considerable Sums of Money, which by reason of the *Voracious Bank* are not now to be had any where else.

But on the Contrary, the Sums of Money already borrow'd are hastily call'd in at once; and the *Dealers* constrain'd either to run their Country, and carry their curious *Inventions* and *Ingenuity* in Trade into Foreign Parts, or be content to reduce and contract their Business at Home to their own private Cash. And does it not grieve all serious Men to see so many ingenious *Journeymen* and *Apprentices* just out of their Time, instead of taking Shops or Ware-Houses to enlarge Trade, fall into other Courses for Want of the usual Credit of being half Stockt upon Trust, and courted and thank'd for their Custom into the Bargain. And what will be the End of this Mischiefe, when old Dealers either reduce their Trade or go off, and young ones have no Credit or Encouragement to enable them to set up, but chose rather to venture their Fortunes in buying and selling Bank Stock.

I beg your Patience in one or two Instances more: The allowing 2 Pence per Cent. per Day (when they please) for Money brought into the Bank, as it is a Decoy to draw still more and more Money out of Trade, and has a pernicious Influence over large Wholesale Dealers all the Nation over, so is it as Mischievous to all sorts of Retailers by shortning their Day of Credit, the Life of Retailing depending upon Trust both Ways, viz. in Selling as well as Buying, few Persons having or paying ready Money at all Times for what they need.

need. But that which pinches the Nation most of all is what it suffers in its *Manufactures* at Home, and in its *Traffick* and *Merchandize* both at Home and with other *Countries* upon the Account of this devouring Bank. It is our *Manufacture* that furnishes us for *Foreign Markets*, besides what we vend at Home. But if the Greediness of 2 Pence per Day for every Hundred Pound lodg'd in the Bank, Payments of *Workmen* and *Inland Bills* are delay'd, the *Fabrick* of Goods will be lessen'd, and consequently our *Traffick* and *Merchandize* will fall short of our *Rival Neighbours* who employ five Times the Money in *Trade* that we do, giving but 3 or 4 per Cent. at most for it, whilst we give 10 or 20 per Cent. (as I am credibly inform'd) by reason of the *Avaricious Bank*, and if it continues they will Daily have greater and greater Advantages over us to our Ruine, our Loss in *Trade* being their Gain proportionably.

The Malignity of the Bank spreads yet farther, even to *Lands* and the *Native Productions* of our Country. For as Money grows scarce, Trade decays, *Manufacture* lessens, Interest of Money rises, Payments slacken, answerably thereunto the Rent of *Lands* must sink, and *Home Productions*, such as *Wool*, &c. must abate and diminish in the Price. And give me Leave to add, that as our *Manufactures* fail so must our *Exports*, so also our *Imports* grow less and less. Which must needs have a sad Influence upon our *Customs*, upon our *Navigation*, and thereby lessen the Number of our *Seamen*, which are the *Bullwork* of our Nation. The Value of our *Land* is so fall'n already, that if a *Country Gentleman* will borrow Money he must go to *London* for it, and if his *Land* lies not within 40 Miles of the Bank, he must pay (one Way or other) at least 8, if not 10 or 12 per Cent. or returns Home without it. For tho' the

the *Bank* has pretended (by *Advertisement* in the *Gazette*) to lend at 5 per Cent. yet (naming not how much, nor how long to continue it) that has been only given out as a *Shoing-Horn*, they being no Way oblig'd to't either from their own *Constitution* or the *Government*. Nor is it probable they will Lend Country Gentlemen any *Considerable Sums* at 5 per Cent. when they can have 8 per Cent. of the *Government* free of all Taxes, or double to that some other Way. But if they would indeed Lend at 5 per Cent. Gentlemen would not much care to expose themselves so publickly as to borrow of the *Bank*, when publick Registers have been rejected upon that very Account. And if great Sums in *Specie* go out of the *Nation* Yearly to carry on the *War*, our *Exportations* fail in order to the bringing in more *Bullion*, and the Remainder of the *Current Coin* be in great Part swallow'd up by the *Bank*, so that *County* and *County* be forc'd to live upon *Bartering* with one another, and *Land* and *Houses* bear little or no Price, farewell then to the *Oppulency*, *Splendour* and *Glory* of *England*, when she is thus become a *Derision* and *Prey* to the *Nations* round about by erecting and fostering a *Monopoly* within her own *Bowels*. In short, the *Bank* here spoken of, having Power to *Ingross* the *Current Coin*, to discount *Bills of Exchange*, to receive *Pawns* in Manner of a *Lumber-House*, to take in *Mortgages*, to purchase *Land*, to Issue out *Bills* above the *Fund* before mention'd without *Stint* or *Limitation*, and that even to *Foreigners*, I must conclude the *Exorbitancy* thereof was not foreseen, or has not so strictly past the *sedate Thoughts* of the *Nation*, as I hope it will this *Session* of *Parliament*,

Thus far concerning the *Miseries* and ill *Consequences* of the *Bank* (a very melancholly Scene,) I proceed to a *Remedy*. It is very well observ'd by the
fore

foremention'd *judicious Letter* concerning the *Credit* of this *Nation*, that as it does consist partly in *Specie*, partly in *Paper Credit*, so if there were *Specie* enough for *Trade*, yet it would not be for the *Interest* of *Trade* to exclude *Paper Credit*, but there being not *Specie* enough, *Recourse* must be had to *Credit* some Way or other. The *Nation* (he says) yearly supplies it self by borrowing in *Specie* for some *Uses* and for some others by *buying* (*Stores, &c.*) upon its *own Credit*, and neither of them without *Detriment* to the *Publick*; and therefore he thinks it may be more adviseable for the *Government* chiefly to borrow *Credit* (to keep the *Specie* in *Trade*,) but yet he explains himself particularly in *Relation* to the *Bank*, that *Notes* issu'd out from thence are not practicable towards the *Enlargement* of the *Credit* of the *Nation*, nor indeed *safe*. But that *Notes* from the *Exchequer* bearing no *Interest* would do better, *viz.* By causing the *Lenders* to depend on the *Government*, &c. It is sufficient for my *Purpose* at present, that he does not allow of the *Bank*, as keeping *Money* out of *Trade*, and because of great *Hazard* run by *Bank Notes*, &c. But he must give me *Leave* to observe also, that the removing the *Bank* to the *Exchequer* will not pass for a compleat *Remedy*, the *ill Consequences* thereof being easily seen thro', tho' not so many as of the *Bank*. The *Author* of *Ways and Means*, &c. propos'd a *General Excise* as the equalest Way of carrying on the *War*, which yet was refus'd on very good *Grounds*. But how the *Bank* came so much in *Favour* with the *Government*, or how far 'tis involv'd and link'd in with it, I do not pretend to comprehend: But had the *Parliament* reserv'd in their *Charter* a *Power* of inspecting the *Bank-Books* they might very probably now find the *Bills* or *Notes* issu'd out so far to exceed 1200000 *l.* and what has been

been *ingrafted* since to keep it from sinking by extending its Credit (as well as for another *Reason*) that if the whole Number were to be demanded at once, *seven such Banks* in all likelihood would not be sufficient to discharge them, and Nine Parts in Ten of the Owners would be glad of any private *Security* for them.

The *Remedy* we Country Farmers propose is, That our *Honourable Representatives* would be pleas'd to appoint a *Committee* to receive *Proposals*, there being several (rightly consider'd and well digested) made ready for them, which will answer the present *exigence* without any *Prejudice* to *Trade* or *Credit*.

One offering to pay Interest for near three *Millions* to Perpetuity, and to *deposit* 100000 *l.* as *Security* for Performance only by preventing *Abuses* in one single *Duty*, and that so rationally as nothing but *Cavils* can be said against it.

Another to raise 400000 *l.* per *Ann.* by such a *Methd* as compar'd with the *Bank*, is fifty Times before it.

A *Third* to bring in above a *Million* of *Money* by a voluntary *Contribution*. Which is a *Relief* and *Succidaneum* to the preventing of *Bankrupts*.

A *Fourth* has already been reported from a *Committee* of our *Representatives* as profitable and practicable, which with some *Amendments* might easily be made the most noble and most serviceable *Bank* in *Europe*. But our great *Grievance* is, that most of our *Funds* (as is generally discours'd) are taken from the Recommendation of one *Gentleman* without consulting *Committees*, which if the *Deficiencies* of several late *Funds* (falling short many and many a *Thousand Pound*) were look'd into, by a *Retrospection* of a few Years, would soon be redressed. But who could

could ever imagine that this *upstart Bank* having no other Fund in its *Original*, than the Remainder of 100000*l.* per *An.* after the Interest of 1200000*l.* at 8*l.* per Cent. deducted out of it, should ever come to be incorporated by the Name of *The Royal Bank*, or *Bank of England*; when *Foreigners* and *Strangers* (Jews and others) having equal Liberty of purchasing *Shares*, it is possible for the whole *Bank* to fall into the Hands of *Foreigners*. And who could ever think the same *Bank* should under any Pretext whatsoever pretend to renew its boundless *Charter* when all the *Ways* before mentioned, and many more, it is manifestly a Check and a Curb upon the Government to enslave it, and (if once renew'd) would fatally prove a perfect Ruine to the *Publick Credit* of the Nation.

I conclude with one *Expedient* more to rid our selves of this *Exorbitant Bank*. There are enough *Patriots* ready to advance 1200000 *l.* at 8 per Cent. (with the Overplus) Tax-free, without desiring to be Incorporated into a *Power* to ride the Nation. And if *Proposals* may freely be admitted, the *Honourable Representatives* will soon be furnish'd with such an *Egyptian* as will be broad enough to cover the *Soar*, both in respect of *Specie* and *Credit*, for a continual Supply to *Trade*, when this *Wen* or *Wolf* of a *Bank* is cut off from the *Body Politick*, and the Nation set free from so great a *Danger* of Ruine within it self, much nearer than a *Possibility*, which yet ought to be avoided in every Nation.

Thus I have sent you our *Country Thoughts* concerning the Necessity of bounding the *Bank* in a Civil Way, which you know already from much better *Pens*, and your own *Observation*. Yet hope our true Zeal for the good of our *Country* (being void of Personal Malice) may atone for the *Repetition* and *Tediousness* of

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Your most Obedient, &c.

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